



Today we are announcing that Oregon Mutual will discontinue writing Personal Lines business in all states. We will be issuing a new business moratorium and intend to begin the process of non-renewing all Personal Lines policies effective January 2023.

Over the course of more than 128 years, the Oregon Fire Relief Association, now Oregon Mutual, has provided financial assistance and peace of mind to our members, and for over a century those members were Homeowners and Automobile policyholders.

This decision was made with consideration of our long-standing commitments to independent agencies and our history of doing business in our local communities. Neither of those things will change. I am a great lover and student of history, but the time has come for us to acknowledge that we are on the wrong side of history in personal lines in today's marketplace.

We are passionate about protecting and serving both our members and independent agency partners. Unfortunately, the last decade of persistent losses, combined with the commoditization of the personal lines marketplace, and growing regulatory uncertainty surrounding risk-based underwriting and pricing have eroded our ability to profitably provide the personal lines products and services consistent with our value proposition.

Make no mistake, we know we bear some responsibility as well. We have thoroughly reviewed the significant tasks and investments required to fix our Personal Lines' performance. Over the years our people have invested considerable time and resources to help improve our performance, and they have. However, we also recognize that the time, expense, and execution risks involved in continuing this path are significant.

It is important to me that you know, this is a message and decision of self-determination and not one of desperation. Oregon Mutual is financially strong and highly rated, and we intend to keep it that way and build on that as we focus on our employees, agents, and members on commercial lines opportunities, including our farm and agriculture segments.



As you know, Oregon Mutual is not alone in experiencing Personal Lines underwriting losses. We have, however, successfully been building a future to reduce the impact of those persistent losses through our growth in Commercial Lines.

In recent years that growth, both overall and as a proportion of our business, has grown substantially and represents the majority of our current business. We intend to continue that trajectory and grow with you as a first-class, successful and profitable Commercial Lines carrier.

Our rapid growth in Commercial Lines has been accompanied by consistent positive underwriting income, contributing to the overall improvement in company results. In fact, given our recent year's growth and success and the support of our Independent Agency partners who have written with us, Oregon Mutual Commercial Lines written premium is currently larger than we were with both personal and commercial lines in 2017. I repeat, we are financially strong, and we are not going anywhere.

We understand that this causes concern and potential disruption for you, on which I will comment. However, no part of this business plan is more difficult than having to reduce expenses to match a lower expected level of revenue. In this case it will mean a gradual reduction in our workforce aligned with the servicing and sales of Personal Lines policies that are being non-renewed. We will not be reducing our commercial staff or the professionals working on our commercial policy administration systems. We also reaffirm and state our commitment to the first-rate claim service and agency support we provide and that you have come to know and trust.

As we move forward and non-renew personal lines business, we will develop and implement a plan to adjust profit-share and help your agency during this transition, with a focus on retaining existing and writing new commercial lines business.

We know that you will have many questions going forward and we are committed to answering them quickly and transparently. Below is a link to frequently asked questions and we will continue to update that material as new questions arise.



This announcement to you about our future, the impact on some employees and to you as agents and friends, is the most difficult part of a plan that is otherwise exciting for the future of the company. I am confident that the business decision we have made is appropriate even as we announce the near-term disruption this decision will create.

Agency Marketing Managers and I will be reaching out or making ourselves available to personally discuss this with you and answer your questions.

We are asking for your support in this transition, and I look forward to working with you in the coming months and years.

Thank you

Steve Patterson

President and CEO

[Agent FAQs](#)